

June 4, 2010

VIA ECFS

NOTICE OF EX PARTE PRESENTATION

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

**Re: *Qwest Communications International Inc. and CenturyTel, Inc. d/b/a CenturyLink;
Application for Transfer of Control Under Section 214 of the Communications Act,
as Amended, WC Dkt. No. 10-110***

Dear Ms. Dortch:

Yesterday, Dudley Slater, Chief Executive Officer, Integra Telecom, Inc. (“Integra”), Jeff Oxley, Executive Vice President and General Counsel, Integra, and the undersigned, outside counsel to Integra, met with Zachary Katz, Deputy Chief, Office of Strategic Planning and Policy Analysis, regarding the above-referenced proceeding. At the meeting, Mr. Slater and Mr. Oxley discussed Integra’s concerns regarding the proposed CenturyLink-Qwest merger. The document on which this discussion was based is attached.

Please do not hesitate to contact me if you have any questions or concerns about this submission.

Respectfully submitted,

/s/ Thomas Jones

Thomas Jones

Counsel for Integra Telecom, Inc.

Enclosure

cc (via email): Zachary Katz

CenturyLink Merger Concerns



CenturyLink Promises Synergies

- “The transaction is expected to create significant annual operating synergies of approximately \$575 million, which are expected to be fully realized three to five years following closing.” (FCC application, p. 21.)

But Where Will These Synergies Come From? CenturyLink Says:

- “. .. key drivers of the transaction synergies will be reduced corporate overhead, elimination of duplicate functions, enhanced revenue opportunities, and increased operational efficiencies through the adoption of each company’s most effective practices.” (FCC application, p. 21)

Where Will These Synergies Really Come From?



Potential Harm to Wholesale Service Quality

- Synergies in the areas of duplicative outside plant, sales forces, or other more typical consolidations are speculative.
- CenturyLink has an incentive to focus its “synergies” on its wholesale customers, as it can take wholesale customers’ revenue for itself if it eliminates its competitors. CenturyLink has said that the synergies will allow it to become a stronger competitor against other carriers and specifically CLECs:
- “A financially stronger company can . . . compete against CLECs.” (WA state application, ¶ 30, p. 15.)

Unanswered Questions About Wholesale Service Quality Post-Merger



No Section 271 Wholesale Approval Process

- CenturyLink did not go through a Section 271 process, like the extensive regulatory proceedings and OSS testing experienced by Qwest. Will CenturyLink backslide?

No Information on Critical OSS

- What CLEC-facing systems will CenturyLink use for CLEC ordering, provisioning, repair, and billing, and what processes will be in place for ongoing OSS support? If systems will change, will procedures resemble the Section 271 OSS testing process?

No Information on Other Systems

- What back-end systems will CenturyLink use, and if it intends to integrate systems, what integration plans will be in place to ensure data integrity and protect end users? CenturyLink suggests that, at a minimum, it will integrate billing systems (FCC application, p. 9). It is unclear whether its integration experience to date has involved CLEC information, at least in commercial volumes.

Conditions Needed To Ensure That Wholesale Service Quality Does Not Deteriorate



Performance Metrics and Penalties

- CenturyLink must maintain Qwest's performance metrics and penalties and those penalties must be enhanced in the event that CenturyLink fails to maintain Qwest's level of service.

Wholesale Service Processes

- CenturyLink must maintain Qwest's Change Management Process for changes to CLEC-facing systems and processes, provide training and education on its systems at no charge to CLECs, and make available the same types of information regarding wholesale service processes as Qwest. Any wholesale service system migration must be subject to independent third party evaluation before going into production.

Staffing, Escalations, and Support

- CenturyLink must ensure that CLEC support centers are sufficiently staffed by personnel with the requisite knowledge and skills.

Potential Harm to Competition



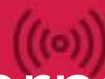
Increased Network Footprint

- Both CenturyLink and Qwest have market power in the provision of local transmission services needed to serve business customers.
- The proposed merger will only make this situation worse.
- The increased size of CenturyLink's footprint will substantially increase its incentive to engage in exclusionary conduct by allowing it to internalize a higher proportion of the benefits of such conduct.

Elimination of ILECs for Benchmarking

- At the same time that incentives for anticompetitive behavior will increase, regulators' ability to detect ILEC exclusionary conduct will be reduced as a result of the merger.
- Qwest will be eliminated as a benchmark for assessing CenturyLink's (and other ILECs') behavior and CenturyLink will be eliminated as a benchmark for assessing Qwest's (and other ILECs') behavior.

Additional Critical Concerns



Guarantee of UNE Availability and Pricing

- CenturyLink should commit to not increase UNE rates or file forbearance petitions for at least three years after the merger.

Maintain Network Reliability

- CenturyLink cannot divert resources from maintaining the network, including copper facilities.

Must Condition Copper Loops

- Century Link must agree to condition copper loops and comply with the relevant law as a prerequisite to merger approval. An investigation is underway in MN on these issues and, in particular, with respect to Qwest's compliance with 47 C.F.R. §51.319(a)(1)(iii)(A) (removal of any device that may interfere with xDSL) and 47 C.F.R. §51.319(a)(1)(iii)(C) (ILEC may not restrict testing to voice levels).

Maintain Interconnection Agreements

- Many ICAs in the Qwest territory are expired and operate in the Evergreen status. CenturyLink must agree to honor Qwest's ICAs for at least three years following the merger.
- This is especially important because Qwest has stated that “[a]ll prices, terms and conditions of these agreements will remain in effect *until such time as they are renegotiated or expire by their own terms.*” (Qwest Mark Reynolds WA testimony, p. 9) (emphasis added)

Interconnection Agreements in CenturyLink Non-Rural Areas

- CenturyLink must conform its ICA offering to resemble Qwest ICAs, which are more current and reflect some terms developed via the Section 271 process.